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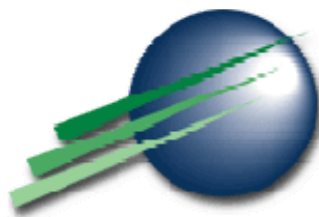
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The U.S. and the Caucasus in 2008

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Introduction

In terms of the US and the Caucasus in 2008, there were three important milestones:

- (1) the August war in Georgia, which not only resulted in the Russian recognition of Abkhazia and South Ossetia and dealt a fatal blow to Georgian aspirations for NATO membership, but which also virtually remade the “geopolitical map” of the South Caucasus region;
- (2) the September visit to Armenia of Turkish President Abdullah Gul, representing a first-ever, historic visit of a Turkish head of state to Armenia and marking the beginning of the public aspect of Armenian-Turkish “football diplomacy,” seeking to “normalize relations between the two countries;
- (3) the November election of US President Barack Obama, a significant turning point in US politics and foreign policy and promising a “course correction” after the eight-year leadership of the Bush Administration.

But it also necessary to include developments in 2009 as well, in order to both properly assess the US and the Caucasus and to project shifts in US policy into 2010. Most importantly for the US and the Caucasus, there is a new promise of opportunity from the new Obama Administration, offering a fresh sense of change and more responsible, multilateral global leadership, encompassing an adjustment to US policy regarding Russia, a pursuit of a dialogue with Iran and a renewed engagement of Turkey.

The Absence of a New US Policy for the South Caucasus

At the same time, however, there is a serious divide between the promise and potential of a new US policy and the reality of the current regional situation. More specifically, there is not yet a new US policy for the South Caucasus, with the region generally viewed as a secondary consideration and distant priority.

This lack of any implementation or even broader reformulation of US policy toward the Caucasus stems from three key reasons. First, the US remains distracted and consumed by “other priorities,” mainly rooted in dealing with the domestic economic downturn in the United States and the aftermath of the global financial crisis. Second, there is a serious delay in putting new Democratic officials in place, with key positions within the US Department of State, National Security Council and Pentagon that normally deal with the region on a daily basis un-appointed or un-confirmed.

And third, the US continues to be distracted from the region by other concerns, including an attempt to “reset” or redefine US-Russian relations, an effort to manage its two main foreign policy priorities of stabilizing Iraq and Afghanistan, and a response to new developments in other areas, such as Moldova, Ukraine, and Central Asia.

Three Dynamic Trends

In light of the absence of any modification to US policy toward the South Caucasus, allow me to assess three dynamic trends now underway throughout the region, each of which is now influencing the interests and activities of the United States, at times as both a proactive and reactive player in the region. For US interests, these three trends pose an often contradictory impact, whereby US engagement in the South Caucasus is largely defined by a regional approach that is viewed as a piece of the larger “geopolitical puzzle,” but, at the same time, is simultaneously pursued on a country-specific basis, with the three countries of the region each posing a different set of objectives and challenges for US interests.

From a broader view, however, it would also be fair to add that the US approach to the South Caucasus region is also driven by a decision to no longer “unnecessarily provoke” Russia or to disregard Russian interests and influence. These three dynamic regional trends include:

Trend One: Armenian-Turkish Engagement

The most significant regional trend impacting US policy is the process of Armenian-Turkish engagement, in terms of “football diplomacy” and a delicate diplomatic effort to “normalize” relations between Armenia and Turkey that would encompass the establishment of normal diplomatic relations, Turkey’s opening of its long-closed border with Armenia and the formation of a special “inter-governmental commission,” empowered to resolve a wide range of outstanding bilateral issues.

For the US, there has been a renewed effort of engagement in this process, reflecting a degree of “catch-up,” in the wake of an initial Russian diplomatic victory in encouraging and even facilitating the Turkish-Armenian initiative. Moreover, this policy of “catch-up” has also been driven by US unease and concern over Turkey’s new “Stability Platform” for the region, as Turkish leaders neither informed nor consulted US officials in advance.

Second, the US has also exerted efforts more covertly, adopting a more active role in the “secret” diplomatic meetings between Turkish and Armenian officials in Switzerland, and culminating in US assistance, and pressure, in forging a trilateral declaration issued on 22/23 April 2009 by the Armenian, Turkish and Swiss Foreign Ministries hailing the diplomatic process and pointing to the preliminary agreement over a new “roadmap” for normalizing relations between Armenia and Turkey.

The trilateral statement declared that “Turkey and Armenia, together with Switzerland as mediator, have been working intensively with a view to normalizing their bilateral relations and developing them in a spirit of good-neighborliness, and mutual respect, and thus to promoting peace, security and stability in the whole region.” The statement went on to note that “the two parties have achieved tangible progress and mutual understanding in this process and they have agreed on a comprehensive framework for the normalization of their bilateral relations in a mutually satisfactory manner. In this context, a road-map has been identified.”

Concluding by stating that “this agreed basis provides a positive prospect for the on-going process,” the joint statement represents one of the most serious strategic blunders by the Armenian government to date. Although this brief 95-word statement may accurately reflect an opportunity for a genuinely historic breakthrough in relations between Armenia and Turkey, the message of its text and the timing of its release raised important concerns.

The declaration, issued only days before the traditional Armenian Genocide commemoration of 24 April, led to the perception that Armenia seemingly endorsed Turkish attempts to pressure US President Barack Obama from fulfilling his campaign promises to recognize the Armenian genocide in his traditional April 24th statement. The statement was also largely perceived as an effort to pressure all sides to move forward with the possible normalization agreement and to exert leverage to maintaining the momentum of the process.

This US leverage was also designed to exploit the “asymmetry of power” between not only Turkey and Armenia, but also between Armenia and the West in general. In addition, there also seems to be an effort by the United States to exert pressure on the parties to achieve or at least demonstrate some degree of parallel progress over the Nagorno Karabagh conflict, as the sole “frozen conflict” in the region. This effort to add the Karabagh issue to an already complicated process, however, may only inject an insurmountable and unnecessary obstacle into the Armenian-Turkish process.

Trend Two: Broader Geo-Strategic Interests

Clearly, the US is now driven by a set of broader geo-strategic interests tied to its two main policy priorities: stabilizing and securing both Iraq and Afghanistan. Based on these needs, US policy has elevated several new concerns for each theater. For Iraq, the need to re-engage Turkey and rebuild US-Turkish military-security relations, while reassuring Ankara over the emergence of a Kurdish “proto-state” in northern Iraq, is a priority for both Turkish support in Iraqi stability and in order to assist US plans for an eventual military withdrawal from Iraq. In addition, the Obama Administration’s outreach to Iran can also be seen as an integral factor in solving the security and stability dilemma of Iraq.

For Afghanistan, the US faces a different set of challenges, defined more by military basing and logistical requirements, ranging from the need for airspace and territorial access through Central Asia and the Caspian “air corridor,” each of which necessitates bilateral agreements with several individual Central States, such as Kyrgyzstan, Tajikistan, Turkmenistan, etc., as well as active cooperation and consent from Azerbaijan.

In this way, Russian cooperation is also essential in terms of facilitating US operational requirements for the Afghan theater. And in the wake of problems with Kyrgyzstan over the use of the Manas airbase, Azerbaijan has acquired an even greater degree of strategic significance for US military planning, which has thereby only enhanced Azerbaijan’s standing in US policy toward the South Caucasus.

Trend Three: Engaging Iran

The third dynamic trend driving US policy in the South Caucasus relates to the Obama Administration’s effort to engage Iran and craft a new approach stressing a dialogue with Iran, to not only resolve outstanding issues, such as the main obstacle of Iran’s burgeoning nuclear program, but to also forge a common approach to regional security, based on shared interests.

Although the US effort seems to reflect a concerted policy decision to engage Iran by stressing common interests, the process has yet to fully start, suggesting some delay until after Iran's presidential elections set for June 2009. Most practically, the effort may also be bolstered by the capacity for the US to exploit two key factors: Iran's exclusion from Turkey's "Stability Platform" agenda for the region, and Iran's profound sense of mistrust and frustration with Russia.

The Outlook for 2009-1010 & Shortcomings of US Policy

As each of these three trends exert some form of influence on US policy, the outlook for the US in the South Caucasus will remain defined by the outcomes of each trend. But at the same time, there are five rather serious shortcomings to US policy toward the region:

1. ***too little follow-through to US policy***, as American interests seem to lack sufficient institutionalization, compounded by the slow pace of appointments and confirmations of key decision-making officials. Most notably, even the April 2009 visits to Turkey by both Secretary of State Hilary Clinton and President Obama need to be followed up by more concrete and specific policies, ranging from the issue of Kurdish separatism and terrorism within Turkey proper (demonstrated by the threat from the PKK), to the pressing challenge of allaying Turkey's valid concerns over the situation in Iraq;
2. ***far too little focus on domestic political deficiencies*** and shortcomings within the three states of the region, exacerbating a perception of double standards on democracy for the sake of short-term energy or security objectives;
3. ***no clear consensus of decision of what to do with Georgia*** in the wake of the August war, either in terms of Georgia's NATO aspirations or its increasingly fragile domestic political situation. Moreover, now that Georgia is no longer the "center of gravity" for the West, the US needs to either craft a new mechanism to deal with its interests over Georgia or to find a new "center of gravity" in the region, which does not unnecessarily provoke or threaten Russia's positions and interests in the region;
4. too early to predict but ***almost too late to implement a real policy shift*** toward the region, fostering frustration in the region amid already high expectations for a sudden and complete course correction of US policy after general disdain and disappointment with the eight-year Bush record. In this way, many are now looking to the European Union and its new "Eastern Partnership" for offering a fresh promise of change and opportunity;
5. an ***outdated regional energy strategy based more on old realities*** and reflecting less of current conditions and needs, only enhancing the lack of consensus on regional energy security and posing new challenges to ongoing efforts, such as the Nabucco gas pipeline project.